

Hero" award. His efforts in the fight against drunk driving have made his community a safer place. In fact, his commitment to this important cause has probably saved many a life. I think that we all owe George a debt of gratitude for his service to the state. Due to George's dedication, it is clear that Colorado is a better and safer place. Your community, state and nation are grateful for your dedicated service, George.

THE INTERNATIONAL ENERGY
FAIR PRICING ACT, H.R. 4732

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 2000

Mr. GILMAN. Mr. Speaker, today I am introducing "The International Energy Fair Pricing Act of 2000" which will help to ensure that this Administration adopts a consistent and comprehensive policy of opposition to the Organization of Petroleum Exporting Countries, OPEC and other similar cartels.

In the ongoing energy crisis facing this nation, it keeps the spotlight where it belongs—on this international energy cartel. With the enactment of this measure, the Administration will no longer be able to go back to business as usual in supporting back room arrangements and cartel-like behavior.

It specifically directs the President to make a systematic review of its bilateral and multilateral policies and those of all international organizations and international financial institutions to ensure that they are not directly or indirectly promoting the oil price fixing activities policies and programs of OPEC.

It would require the Administration to launch a policy review of the extent to which international organizations recognize and or support OPEC and to take this relationship into account in assessing the importance of our relationship to these organizations. It would set up a similar review of the programs and policies of the Agency for International Development to ensure that this agency has not indirectly or inadvertently supported OPEC programs and policies.

Finally, it would examine the relationship between OPEC and multilateral development banks and the International Monetary Fund and mandates that the U.S. representatives to these institutions use their voice and vote to oppose any lending or financial support to any country that provides support for OPEC activities and programs.

A copy of the bill follows:

H.R. 4732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Energy Fair Pricing Act of 2000".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The Organization of Petroleum Exporting Countries (OPEC), in its capacity as an oil cartel, has been a critical factor in withholding production from the market and driving up oil prices approximately 300 percent from January 1999 to June 2000.

(2) Nationwide, gasoline prices have increased approximately 60 cents a gallon since the beginning of 1999 with crude oil

prices increasing 48 cents over this same time period.

(3) The Department of Energy's weekly survey showed the average cost of gasoline in the United States increased 5 cents a gallon to \$1.68 from the second to the third week of June 2000, a record high for a fourth week in a row.

(4) Price declines in the cost of oil in April 2000, following the March 2000 OPEC meetings, have been reversed because OPEC output did not meet global demand and supply conditions. When OPEC members met in March 2000, quotas were not set high enough for refiners around the world to rebuild crude stocks depleted by winter heating demand.

(5) Crude oil stocks in the United States are only 31,000,000 barrels above the lowest operational inventories ever observed in recent times (the equivalent of 2 days of refinery operations) and 20,000,000 barrels under the normal range for the month of June.

(6) The United States needs to make a systematic review of its bilateral and multilateral policies and those of all international organizations and international financial institutions to ensure that these policies are not directly or indirectly supporting the oil price fixing activities, policies, and programs of OPEC.

SEC. 3. POLICY OF THE UNITED STATES.

(a) **POLICY WITH RESPECT TO INTERNATIONAL ORGANIZATIONS.**—It shall be the policy of the United States that the extent to which each international organization supports, or otherwise recognizes, OPEC will be an important determinant in the relationship between the United States and this organization.

(b) **POLICY WITH RESPECT TO INTERNATIONAL FINANCIAL INSTITUTIONS.**—It shall be the policy of the United States that the extent to which each international financial institution supports or otherwise recognizes OPEC, will be an important determinant in the relationship between the United States and the institution.

(c) **POLICY WITH RESPECT TO THE ENERGY AND DEVELOPMENT ACTIVITIES.**—The United States should carefully review all the energy development projects and programs administered by the United States Agency for International Development in developing countries to ensure that these projects and programs do not indirectly or inadvertently support the activities of OPEC.

SEC. 4. POLICY TOWARD THE INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) **REPORT TO THE CONGRESS ON ACTIVITIES OF THE INTERNATIONAL FINANCIAL INSTITUTIONS.**—No later than 90 days after the date of the enactment of this Act, the President shall transmit to the Congress a report that contains the following:

(1) A description of any loan, guarantee, or technical assistance provided or to be provided by any international financial institution that does or would directly or indirectly support any activity or program of OPEC or any other cartel, or any member of OPEC or any other cartel, engaging in production cutbacks or other market-distorting practices.

(2) A description of the energy sector loans of, technical assistance provided by, and policies of each international financial institution, and an analysis of the extent to which the loans, assistance, or policies promote the complete dismantlement of international oil price fixing arrangements and the development of a market-based system for the exploration, production, and marketing of petroleum resources.

(b) **UNITED STATES POSITION IN INTERNATIONAL FINANCIAL INSTITUTIONS.**—The United States Executive Directors at each international financial institution shall use

the voice, vote, and influence of the United States to oppose the provision of any loan, guarantee, or technical assistance by the institution that would directly or indirectly support the activities and programs of OPEC or any other cartel, or any member of OPEC or any other cartel, engaging in production cutbacks or other market-distorting practices.

SEC. 5. REPORT RELATING TO THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD).

Not later than 90 days after the date of the enactment of this Act, the President shall prepare and transmit to Congress a report that—

(1) describes the efforts of the Organization for Economic Cooperation and Development (OECD) to review the market-distorting practices of international cartels, including OPEC, and recommends specific actions that the member countries of the OECD can undertake to combat such practices; and

(2) describes actions to be taken by the United States to ensure that the OECD expands upon its activities and programs regarding the operation of international cartels.

SEC. 6. AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961.

Section 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151d) is amended by adding at the end the following:

"(g)(1) In carrying out the activities under this chapter, the President shall—

"(A) ensure that amounts made available to carry out this chapter are not used to support, directly or indirectly, the programs, activities, and policies of the Organization of Petroleum Exporting Countries (OPEC), or any other cartel, or any member of OPEC or any other cartel, if OPEC or such other cartel engages in oil price fixing; and

"(B) certify annually to the appropriate congressional committees that the requirement of subparagraph (A) has been met for the prior fiscal year. "(2) In this subsection—

"(A) the term 'appropriate congressional committees' means—

"(i) the Committee on International Relations and the Committee on Banking and Financial Services of the House of Representatives; and

"(ii) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

"(B) the term 'oil price fixing' has the meaning given such term in section 7(2) of the International Energy Fair Pricing Act of 2000."

SEC. 7. DEFINITIONS.

In this Act:

(1) **INTERNATIONAL FINANCIAL INSTITUTION.**—The term "international financial institution" has the meaning given in section 1701(c)(2) of the International Financial Institutions Act.

(2) **OIL PRICE FIXING.**—The term "oil price fixing" means participation in any agreement, arrangement, or understanding with other countries that are oil exporters to increase the price of oil or natural gas by means of, inter alia, limiting oil or gas production or establishing minimum prices for oil or gas.

(3) **OPEC.**—The term "OPEC" means the Organization of Petroleum Exporting Countries.

(4) **PETROLEUM RESOURCES.**—The term "petroleum resources" includes petroleum and natural gas resources.